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CANADA EUROPE

External Affairs and International Trade Canada
Affaires extérieures et Commerce extérieur Canada

Canada

# THE DANISH SOFTWARE MARKET

STRATEGIC PARTNERS FOR CANADA

1992

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# FROM THE GOVERNMENT OF CANADA

External Affairs and International Trade Canada (EAITC) is pleased to offer the Canadian Software Industry, as part of the Going Global trade strategy, this report on the Software Market in Denmark. This project was undertaken by the Canadian Embassy in Copenhagen, Denmark under the Going Global European Initiative Fund, an initiative of the European Community Division of EAITC. This fund is part of the Europe 1992 Awareness Campaign.

Europe 1992 is happening now. The European Community's ambitious Single Market program has already dramatically changed the way Europeans are doing business. The process is irreversible; the pace is rapid and accelerating. If Canadian businesses are to profit from the opportunities that this enormous market will bring, they must be well-informed.

Other publications that are currently available from the series *1992 Implications of a Single European Market* include: Agriculture and Food Products; Telecommunications and Computers; Automotive Industry; Minerals and Metals; Forest Products; Defence, Aerospace and Transportation; Specialty Chemical Products, New Materials, Pharmaceuticals and Biotechnology; Industrial Products and Services; Financial Services; Fisheries Products; and Professional and Consulting Services - Law and Accounting. Other reports include European Economic and Monetary Union; Company Law; Competition Policy; Standards; Freight Forwarding; 1992 and Related Issues; Intellectual Property; Europe 1992 and Canada's Ocean Industry; Europe 1992 and Canada's Environmental Industries; Europe 1992 and Canada's Value-Added Wood Products; Europe 1992 and the Canadian Software Industries; Europe 1992 and the Canadian Telecommunications Industry; Moving into Europe; and LINK '92 - The Experience of Successful Canadian Companies in Europe.

For more information on publications available, please contact the EAITC InfoExport hotline, 1-800-267-8376.

Further information on export and strategic alliance opportunities in Denmark are available from the Western Europe Trade, Investment and Technology Division in EAITC (Tel: 613-996-9401; FAX: 613-995-6319) and the Canadian Embassy in Copenhagan (Tel: 45-33-12-22-99).

# *THE DANISH SOFTWARE MARKET*

# *STRATEGIC PARTNERS FOR CANADA*

## CONTENTS


| | | |
|---|---|---|
| FOREWORD | | 1 |
| SUMMARY | | 2 |
| THE DANISH SOFTWARE MARKET | | 4 |
| 1.0 | UNIRAS A/S | 6 |
| 2.0 | PROCOS A/S | 7 |
| 3.0 | DANWARE DATA A/S | 10 |
| 4.0 | DANSK SYSTEM INDUSTRI A/S | 12 |
| 5.0 | DANLINE SOFTWARE A/S | 14 |
| 6.0 | DCC SOFTWARE A/S | 16 |
| 7.0 | KTP DATA A/S | 18 |
| 8.0 | 4A INFORMATIK A/S | 20 |
| 9.0 | DAC-DATA A/S | 22 |
| 10.0 | SYSTEMATIC SOFTWARE ENGINEERING A/S | 26 |
| 11.0 | PROCON A/S | 29 |
| 12.0 | JDC DATA A/S | 32 |
| 13.0 | LANDBRUGETS EDP CENTER | 35 |

## FOREWORD

In 1991, External Affairs and International Trade Canada (EAITC) published a report titled "The Software Market in Denmark", as one of a series of software market studies on the European Community (EEC), specifically in light of the single market conditions associated with "Europe 1992". In addition to a market profile and practical guidelines on how to conduct business in Denmark and the EEC, the report also provided case studies on 13 prominent Danish software publishers to identify the potential for trade, strategic partnering and joint venture arrangements between these Danish companies and Canadian software firms.

This report should be viewed in part as a **follow up report** to the first report, as the information reflects a systematic follow-up with the Danish software companies profiled in the first report, to gauge their level of interest and to obtain more detailed information on the type of trade arrangements and/or Canadian partner profiles which they may be seeking. In addition, this report also contains profiles of several Danish software vendors which were not included in the first report. All companies mentioned in this report have been visited and interviewed personally by the author.

While the author has attempted to focus on strategic partnering arrangements, the majority of the Danish companies displayed a very flexible attitude towards prospective business relationships with Canadian firms and specific interests ranged from direct trade (export/import), OEM/licensing arrangements, through to joint-venture and two-way global strategic partnering. Several companies were also interested in software research and development cooperation/licensing with Canadian firms.

This report is part of the "Going Global" trade strategy and the author would like to acknowledge/thank the Going Global fund for its support, without which this report would not have been possible.

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Report Author
April 1992

## SUMMARY

While it is difficult to summarize in a report which is based on case descriptions of 13 individual companies, several market characteristics have surfaced as a result of the interviews.

- Firstly, there is a genuine interest on the part of most Danish software publishers to work together with Canadian companies, either to market Danish software products in North America or to market Canadian software products in Europe (and in some cases even a combination of both). Most of the companies interviewed are already exporting versions of their software to several European markets (typically "near markets"), however, Danish software companies comment that there may not be significant differences between the export of software to Canada and a country such as Germany. Marketing products in both countries would typically require product modifications, national adaptation, etc. Yet, even though Germany is a closer market than Canada, there could very well be cases where marketing a Danish software product in Germany would require a higher degree of modification than required for marketing it in Canada!

  As mentioned in the introductory paragraph, the specific partnering arrangement differs from company to company, but collectively most, if not all, business/partnering forms are represented, including joint research and development arrangements.

- Most Danish software publishers are SMEs and are very conscious of the costs related to establishing their own direct presence on the North American continent. They prefer a licensing or joint-venture approach and in most cases are looking for a Canadian partner capable of managing, not only the Canadian, but also the US market.

- In several cases, the author detected a preference among Danish firms to do business with Canadian firms rather than US firms. This is usually based on the perception that "the chemistry" between Canadian and Danish firms is good.

- The majority of Danish software publishers still rank the domestic market as their prime market, although several have ventured into other Scandinavian and European markets. Thus, Danish companies are not in a rush to commence/finalize business transactions in Canada. Most of the companies interviewed regard Canada as a long-term project and, as a result, they are equipped with the patience and caution necessary to locate the right partner and finalize an agreement.

- As most of the Danish software publishers regard Denmark as their main market, the costs associated with product R&D and overheads have been calculated into domestic market pricing. Consequently, most of the companies interviewed indicated that they would be able to offer their products to prospective Canadian partners at a very reasonable price/licensing fee.

In addition, several of the Danish firms would not object to their product(s) being private labelled by Canadian partners - relinquishing brand name recognition requirements.

- Software published by Danish software companies, operates predominantly on DOS, Windows, OS/2, UNIX and AS/400. On the mini platform, software for the AS/400 system is particularly predominant and there appears to be a significant niche expertise for this system. It is also characteristic that most Danish software publishers have focused on vertical market applications, rather than standard horizontal market tools. In this context the author would venture the opinion that there is an excellent basis for software product exchange between Denmark and Canada. Whereas Canada's software sector capability is primarily based on the supply of software tools, system/utility software, graphics software and communications software, the Danish software industry has focused on vertical market applications software and have placed a great deal of emphasis on user-friendliness.

While Denmark is already purchasing and using many Canadian software programs, the author feels there is also potential in Canada for Danish software.

## THE DANISH SOFTWARE MARKET

Located to the north of Germany, Denmark is an excellent starter market for Canadian vendors of informatics and telecommunications products. As a technologically sophisticated country of five million people with one of Europe's highest standards of living and 30% of GDP attributable to trade, Denmark is geared towards international business. English is widely spoken and while Denmark is a member of the EEC, the country has maintained long-standing cultural and business ties with the other Nordic countries. Consequently, Denmark has a unique trading position and functions as a gateway between the EEC to the south and the other Scandinavian countries to the north; a fact upon which Canadian exporters should reflect, when seeking to establish a master distributor, sales office or joint venture partner in Europe.

In an overall European context, while Denmark may be regarded as one of the smaller PC markets, both in terms of computer penetration (computer resources per capita), and accumulated computer experience, Denmark enjoys leader status. Many Canadian suppliers of computer hardware and software products are already doing business in Denmark and sales in this sector are showing very encouraging growth. Generally, Canadian exporters comment that doing business in Denmark is so much easier relative to other countries, primarily because of the similarities in business approaches and ethics.

As the previously-mentioned report, "The Software Market in Denmark",* already provides an excellent market overview, this section will confine itself to providing an update on major market trends which have taken place since the first report was published:

- <u>Increased pressure on PC hardware suppliers</u>

  In 1992, the difficult market conditions for PC hardware suppliers are expected to persist, due to the continuance of depressed price levels. New distribution channels have emerged and will continue to emerge as prices continue to drop and suppliers attempt to cut distribution costs. PC dealers are expected to suffer further as a result and several Danish PC dealers, including Denmark's largest IBM/Compaq dealer, have already discontinued operations. The recession has not affected the software industry to the same extent, as users attempt to make the PC as efficient a tool as possible, by adding new software applications.

* For readers who have not read the report "The Software Market in Denmark", a copy of page 13 - Market Overview is enclosed.

- The hardware market recession has not, however, left the Danish software market untouched. The majority of companies interviewed for this report, and particularly the PC oriented software companies, have either experienced sales decreases and/or more vigorous competition as a result of the current hardware recession, and several companies have had to restructure their sales and support policy.

- The popularity of Windows is marked. Most, if not all, of the PC software companies interviewed either already have a Windows version of their software available or will be releasing a Windows version in the near future.

- OS/2 sales are increasing slowly, but steadily.

1.0 **UNIRAS A/S**

Gladsaxevej 376, DK-2860 Søborg
Tel: 31 67 22 88, Fax: 31 67 60 45
Contact: Mr. Jens L. Poulsen, Marketing Director

**PROFILE**

UNIRAS develops and sells colour computer graphics software for a wide variety of applications, but predominantly for technical data presentations, contouring, mapping and business graphics. The applications run on UNIX and VMS platforms.

98% of the company's turnover is generated through export sales. With approximately 130 employees worldwide, UNIRAS operates wholly-owned subsidiaries in the USA, UK, France, Italy, Germany and Japan. In each of these markets, UNIRAS relies on local nationality management. The company's customers are predominantly large corporations (e.g. oil companies, process control and chemical corporations, etc.), and research organisations including universities.

**OBJECTIVE**

With strong distribution channels in Europe and Japan, UNIRAS are interested in expanding their own product line with third party products. Specific application areas of interest to UNIRAS are numerical analysis, statistics, fluid dynamics and graphical design systems. Potentially relevant Canadian products should run on either VMS or UNIX platforms.

UNIRAS are interested in establishing a relationship with a Canadian joint venture partner, who could participate in joint development projects, consisting of three phases:

- Joint product definition;
- The Canadian partner develops the product;
- UNIRAS sells the product through its existing strong distribution network.

A Canadian joint R&D partner should have experience in C, UNIX and VMS development under X-WINDOWS and be willing to take on distribution of certain UNIRAS applications.

2.0 **PROCOS A/S**

Bregnerødvej 144, DK-3460 Birkerød
Tel: 45 82 22 00, Fax: 45 82 20 66
Contact: Finn Ritslev
Second Contact: Jørgen Jørgensen

**PROFILE**

With approximately 100 employees, Procos is a software house and systems integrator focusing on the provision of software tools (application enablers), turnkey solutions and consultancy for manufacturing automation applications (Distributed Control Systems and CIM environments).

**AFFILIATION**

Procos' parent company - Computer Resources International A/S (CRI) - is 49% owned by IBM.

**PRODUCT(S)**

"EasyMAP" (Extensive Application System for Manufacturing and Process Control), is an open, standards-based, modularly designed **application enabler.** With transparency to the end-user, EasyMAP facilitates solutions ranging from stand-alone SCADA systems, to large distributed automation systems, implemented by networked computer systems. EasyMAP provides the end-user with real-time information from any device connected, whether from a PLC, an NC machine tool, a robot, or a DCS system. The modularity of the EasyMAP architecture allows for smooth expansion in terms of capacity, new functionality, as well as future new generations of more powerful PCs.

Major Benefits are:

- Open PC-based platform for systems integrators, which simplifies the integration of production equipment with administrative and engineering mini and mainframe-based systems.

- Reduced up-front investments compared to proprietary solutions, as EasyMAP relies on industry standards.

- EasyMAP runs on IBM AT, PS/2 compatibles, **Operating System:** OS/2, **Communications Interface:** MMS, MAP 3.0, **LAN:** Ethernet and Tokenring. **LAN SOFTWARE:** LAN Manager and Novell Netware. **Relational Database:** Oracle, **Spreadsheet:** Excel.

- Reduced maintenance cost, as non-programmers can build systems easily and securely by using EasyMAP. Regular plant personnel are able to design and re-design userscreens and as such may replace dedicated programming staff, for maintenance and upgrading.

- Increased operator efficiency, as much emphasis has been placed on animated screens with Pixel graphics, icons, mouse, pop-up windows and pull-down menus, in order to facilitate understanding and secure user-friendliness.

- Investment protection, due to the system's vendor independence.

- Low-risk migration path to evolving international and industry standards.

**INTERNATIONAL EXPERIENCE**

Procos has 15 years experience in exporting proprietary process control applications and turnkey solutions and today have in excess of 200 sites/installations in Europe and the US. Exports of EasyMAP, however, are of a newer date with installations primarily in Sweden, France and Germany, followed by a few sales in the US, Japan and Australia. In excess of 50% of Procos' total revenue is derived from exports.

**OBJECTIVE**

Procos are interested in identifying a Canadian business partner, capable of promoting, distributing and supporting EasyMAP in Canada and possibly parts of the USA. Canadian systems integrators, interested in developing customer applications with EasyMAP, are also of interest.

The ideal partner would be a Canadian software company working with OS/2 based solutions, related to Distributed Process Control systems, SCADA, or Shop Floor Control systems. Experience with the MMS standard, (evolving to ISO 9506), would also be an advantage.

As stated above, EasyMAP is a user-friendly tool, enabling the end-user to develop/create his own process control/factory automation applications. Typical end-user industries are in the Pharmaceutical, Chemical, Pulp and Paper, Aerospace, Automotive, Food and Brewery sectors.

Current North American customer references are Boeing, IBM and GM. European customer references include Mercedes and Heineken Brewery. Perceived competitors are Intellusion, US Data and Heuristic (all US suppliers). Procos estimate that EasyMAP has two years competitive and technological edge on their closest competitor.

**PRICE INDICATIONS**: US$ 4,000-15,000 per licence (excluding system integration).

3.0 **DANWARE DATA A/S**

Herlev Hovedgade 195, DK-2730 Herlev
Tel: 44 53 25 25, Fax 44 53 15 51
Contact: Peter Grøndahl

**PROFILE**

With approximately 50 employees, Danware Data's main line of business is the development and sale of software for financial institutions and companies dedicated to trading and managing. The exception to this are the stocks, bonds, futures, options and international currency sectors served by the company's communications software tool "NETOP".

**PRODUCTS**

- "DEALING MANAGER/2" for stock brokers, is an integrated system for trade and management of positions. This system applies primarily to stock brokers dealing/ interfacing electronically with a central stock exchange.

- "FUTOP MANAGER/2" for analysis, trade and back-office handling of futures and options.

- "FX MANAGER/OS2" a currency and position management system, including real time profit/loss, exposure and "limit" calculations.

- "PORTFOLIO MANAGER/OS2" a complete portfolio management system for analyzing and calculating all types of securities in any currency.

- "RISCMANAGER" a system for risk assessment related to trading in international currencies and interest rates.

- "NETOP" allows your PC to access the screen and keyboard of any other PC on a Novell or Netbios network. Applications include: network support/diagnostics, distributed processing, training and demo, etc.

## INTERNATIONAL EXPERIENCE

Danware is relatively new to export markets and has, so far, concentrated primarily on sales to Danish/Scandinavian banks, insurance companies, stock brokers and financial divisions of large corporations. Danware has, however, recently established cooperation with Barclays UK and, having successfully retained this internationally well-known banking institution as a customer/consultant, Danware is now interested in expanding their international activities.

## OBJECTIVE

Danware are aware that sales of their financial sector software will require certain modifications, in order to be marketed in Canada/North America, but recent feed-back would appear to indicate that the required product modifications would not be extensive.

The ideal Canadian business partner/distributor would be a company already selling similar/complementary software products to the financial sector, or a Canadian financial information provider (a Canadian parallel to Reuter, Telerate, Knight Ridder). A potential partner could also be a company supplying identical, competing products, but for a different platform (for instance running on minis - Sun, Apollo). All Danware's financial products are PC-based and run on DOS and OS/2.

Danware's competitors are Software Science, Logica and two Danish firms CRI and 4A Informatik.

Danware would, furthermore, be interested in adopting any Canadian products, which could fill a gap in their product portfolio. Danware feel that further products related to "settlements" trading and technical stock market analysis could strengthen their current marketing position.

With regard to "NETOP", an ideal Canadian distributor would be a company already handling LAN communications enhancement tools and/or a company with a well established PC dealer network. Competitors for this product are "Carbon Copy" and "PC Anywhere". "NETOP" is available in DOS, OS2 and Windows versions.

4.0 **DANSK SYSTEM INDUSTRI A/S**

Kokkedal Industripark 2, DK-2980 Kokkedal
Tel: 42 24 36 00, Fax: 42 24 36 44
Contact: Jan Otzen, Managing Director

**PROFILE**

With approximately 15 employees and 10 developers, DSI's main product is the DSI System, an integrated, PC-based office productivity package including a word processor, a database, a calendar and an electronic mail facility. The product is available in DOS and Windows versions. One selling point, among others, is user-friendliness. The product is very easy to learn and is very popular among users with little or no computer program experience. The major direct competitor in Denmark is Microsoft Works.

**INTERNATIONAL EXPERIENCE**

Apart from sales to other Scandinavian countries (in particular Norway), and sales to international subsidiaries of Danish corporations, DSI have not yet placed major efforts into international marketing of their product, but are currently interested in developing North American distributor, partner or OEM contacts for their product.

**OBJECTIVE**

DSI recognize that their software package has no brand name recognition in North America. The company does not wish to establish a direct presence in North America, nor do they wish to invest sizeable amounts in major marketing campaigns.

The ideal Canadian partner would be a small to medium-sized Canadian software house, capable of offering value-added, customer support oriented marketing rather than merely "moving boxes". DSI would prefer a smaller company, inspired by and committed to the DSI product concept, rather than a larger company marketing many standard software products.

A second valid partner profile could be a Canadian company currently marketing a line of complementary proprietary products, wishing to expand their overall product range. DSI would be willing to consider private brand/OEM arrangements with this type of company. According

to DSI, companies marketing PC-based accounting packages are potential partners for this type of arrangement.

Product development and overhead costs have been covered via DSI's domestic sales, and as such, DSI are able to offer a Canadian partner very reasonable distribution/licensing arrangements.

Typical end-users of DSI System are small to medium sized corporations and public sector agencies/institutions.

Jan Otzen visited Canada/USA in April 1992, for discussions with prospective partners, but to our knowledge, no marketing arrangements have been concluded at the time this report was prepared.

## 5.0 DANLINE SOFTWARE A/S

Nørre Alle 11, DK-7000 Fredericia
Tel: 75 91 11 119 Fax: 75 91 04 24
Contact: Peder Hvejsel, Managing Director

### PROFILE

Danline develop and distribute programs for the IBM PC world in the office automation field. Their product line consists of a wordprocessor, database, spreadsheet and calendar/planner. The products can be and are sold as separate unit products, i.e. not one integrated product. A characteristic of Danline's products is user-friendliness - the programs can be used without a manual.

The company also distributes third party software, particularly Borland spreadsheet, database and presentation graphics, through their Danish dealer network consisting of approximately 500 dealers.

The company has 30 employees, including 8 full-time developers. Danline's environment/platform is DOS, Windows and OS2. Annual turnover is approximately CAD 9 million.

### PRODUCTS

- Dantekst (UNIKUM) is a sophisticated, but easy to learn wordprocessor based on the new user interface CUA. The software includes advanced features which, for instance, allow direct scanning of video and camera stills into wordprocessor documents, i.e. direct merge of photos and text.

- DANBASE database, very easy to learn, no manual required. Records are 100% user defined.

- DANMANAGER calender/menu planner.

## INTERNATIONAL EXPERIENCE

Sporadic sales to other Scandinavian countries, primarily through subsidiaries of Danish corporations.

## OBJECTIVE

Danline is interested in identifying a Canadian distributor, business partner and/or OEM contact for their office automation products. An ideal distributor would be a Canadian company already distributing standard PC software through a well-established dealer network.

Danline appreciate that it may be difficult and costly to establish brand name recognition for their products in North America - especially with competition from North American market leaders in this field. Consequently, Danline would be willing to consider a private brand/OEM arrangement with a Canadian company, interested in expanding an existing product line with the Danline products. As R&D costs and overheads have been calculated into domestic sales, Danline are able to offer a Canadian business partner very competitive pricing and/or accept low up-front payment/royalties.

Danline are currently developing new innovative program modules and are particularly focusing on applications programs under WINDOWS. One of the products currently under development is a software based "telephone time manager", which records time spent on the phone with individual clients. This could, for instance, be useful for lawyers, accountants and consultants who charge customers for time spent on each case.

Danline could be interested in distributing/adopting Canadian applications software under WINDOWS. Danline feel that the demand for WINDOWS applications will grow substantially in Denmark. Danline may also be interested in communications software, either for integration with their own products, or for separate distribution - for instance X.400 communications software. In addition, Danline would consider distributing Canadian software with an already well-established name (i.e. with strong brand name recognition) in Denmark and/or Europe.

6.0 **DCC SOFTWARE A/S**

Hededammen 5, DK-6705 Esbjerg
Tel: 75 14 49 1 1, Fax: 75 14 48 82
Contact: Kurt Weiland, Managing Director

**PROFILE**

DCC publishes the "Admiral" accounting system for DOS and Windows, which is the company's primary activity. In addition, DCC distributes Borland software products (DCC is a Borland Development Center), LAN/WAN cards/boards from D-Link and Olicom and the Danbase database from Danline.

The company was established in 1981 and has approximately 20 employees.

**PRODUCT**

Admiral is available in two versions, a 5.5 version for DOS and a 3.1 version for Windows. Admiral is currently the only Danish accounting package running under Windows. The program is modular (modules include: finance, stock, invoicing, sales management and production, including various standard vertical market solutions). The user can start with a single module and later build up a multi-user application.

Characteristics of Admiral are ease of use, flexibility, true real time integration with other business programs, e.g. spreadsheet. The user is easily able to customize screens and forms to their own liking. The user can import/export data from/to other programs without leaving the Admiral program. Within Admiral, the user can also access other modules without leaving the active module. The main unit in Admiral 3.1 is the Paradox database, which permits users to easily add and modify applications.

The system architecture of the Admiral program was specifically designed for easy translation to other languages and the program is today available in Nordic, French, German, Spanish and English versions.

## INTERNATIONAL EXPERIENCE

DCC have established distribution of Admiral in Norway and Sweden. Furthermore, the company has experienced some export volume to France and Spain. This year, DCC exhibited at the CEBIT informatics trade show in Hanover, Germany, and received in excess of 300 professional trade enquiries, of which several were from potential North American distributors.

## OBJECTIVE

DCC are interested in identifying a Canadian partner/distributor capable of translating and modifying Admiral for the Canadian market. The Canadian distributor should preferably be a company with an existing medium to large-sized customer base. DCC would prefer a medium-sized Canadian partner rather than a large company. Alteratively, DCC would consider private brand/licensing/OEM arrangements involving Admiral.

As mentioned in the opening paragraph, DCC are currently distributing third party LAN hardware products through their distribution network, consisting of 160 dealers, and would consider distributing Canadian network bridging and repeater products, possibly also voice response products.

## 7.0 KTP DATA A/S

Sønderskoven 7, DK-8520 Lystrup
Tel: 86 22 54 33, Fax: 86 22 58 59
Contact: Rudi Jørgensen, Managing Director

### PROFILE

KTP Data is a small Danish software house (with approximately 10 employees), specializing in property/building management and administration systems, running on the IBM AS/400 mini computer. Typical customers are building societies, property/real estate management corporations, banks, insurance companies and other corporations that characteristically have numerous branches.

In the five years the company has existed, it has gained a 20% share of the Danish market. KTP has no competitors on AS/400 hardware, but other general Danish competitors are Scanvest (Prime hardware) and JDC Data (NCR).

The company is also an authorized IBM AS/400 agent, and for the second consecutive year IBM Denmark has awarded KTP the "Best Agent of the Year" award.

### PRODUCT

The KTP system is based on two main modules, FINANCE and RENT, each with their own family of optional sub-modules. Each module is fully integrated, with the system allowing for free exchange of data between the modules. The FINANCE module covers the user's internal finance/accounting requirements (accounts payable/receivable, creditor, etc.). Optional sub-modules include: separate salary/accounting; specified accounting related to maintenance personnel and materials costs; budget simulation; specialized accounting related to tenants moving; mortgage management; project management for controlling new building projects; or major modernization/maintenance projects.

The RENT module includes all common aspects related to controlling and managing rent (rent collection, moving in/out of tenants, rent increases, heat and electricity accounting). Optional sub-modules include (internal maintenance, external maintenance, inspection planning).

**INTERNATIONAL EXPERIENCE:**

None

**OBJECTIVE**

KTP would be prepared to establish a dialogue with Canadian software houses interested in expanding into the type of business outlined above, or software houses already supplying similar systems, but preferably companies either already running, or willing to run AS/400 applications.

If there is a requirement for this type of system in Canada, KTP would need to rely on the Canadian partner for assistance in aligning the software with Canadian financing/accounting routines, rent legislation, etc.

KTP, on the other hand, could be interested in adopting Canadian PC-based applications within the field of property/building management and administration. Other areas of interest could be sophisticated electronic filing systems and contract scanning systems, which could either be incorporated into KTP's existing system, or form a natural extension to same.

KTP are also looking at extending their current modules with a graphics oriented module capable of showing diagrams, floor plans, etc., and would not be opposed to considering relevant Canadian solutions.

8.0 **4A INFORMATIK A/S**

Søndergade 70, DK-8WO Århus
Tel: 86 19 16 44, Fax: 86 19 71 72
Contact: Mr. Axel Kristensen, Managing Director

**PROFILE**

4A is a Danish software house specializing in the development and sale of PC-based portfolio, option and futures management software. The company's software products are designed to interface with the user's other financial programs, e.g. accounting system, etc. Typical customers are banks, insurance companies, large corporations with investment portfolios and stockbrokers. One domestic competitor is, for instance, Danware A/S.

In addition to supplying software tools, 4A also supplies daily financial data downloaded to clients via modem.

**PRODUCTS**

- "SuperPort", a comprehensive portfolio system for managing financial assets/liabilities and risk monitoring.
- "Superoption", a graphics oriented product for managing options and futures. The product includes profit simulation, risk profile, price setting and margins management.
- "SuperPlan", a stock analysis and assessment program.
- "SuperTrend", a collection of technical analysis models.
- "SuperLink", a financial data service downloaded via modem.

**INTERNATIONAL EXPERIENCE**

None, other than international branches of Danish banks using 4A software.

## OBJECTIVE

4A would be interested in identifying a Canadian software company, preferably already serving the Canadian/North American financial sector, capable of modifying 4A products for the North American market.

4A are interested in expanding their domestic activities, related to providing financial data to their clients - they have ambitions of becoming a Danish pendant to Compuserve in the US.

They would also consider cooperation with a Canadian vendor of financial data, providing there is a demand for the specific information in Denmark.

9.0 **DAC-DATA A/S**

Kummerowsvej 7, DK-9400 Nørresundby
Tel: 98 17 11 88, Fax: 98 17 04 03
Contact: Flemming Koch, Finance/Administration Manager

**PROFILE**

DAC DATA was initially the EDP division of the Danish cooperative cement producer, Dansk Andel Cement. The company is today still owned by the DAC group, which in turn is controlled by the Dansk Coop Movement (i.e. by FDB, DLG and by the Danish bank, UNIBANK).

DAC specializes in three specific program areas:

- A general purpose finance system;

- Vertical market finance and management systems for the following applications and/or user profiles: Retail/Wholesale Trading, Production Control, MAPICS/DB, Job Producing Businesses, Publishers/Publishing Houses, Contractors and Fish Auctions;

- Specialized systems for government agencies, county and municipal institutions.

All systems run on the IBM AS400 or S/930 platform. DAC is currently developing UNIX versions (particularly of their public sector programs) for the RS/6000 platform.

DAC is an authorized IBM agent. Employees 1992: 80. DAC is the second largest Danish supplier of AS/400 vertical market applications. Danish competitors include EDB-Gruppen, Datema, and Gundtoft Data. On a wider scale (i.e. including other hardware platforms), competitors are Digital, Norsk Data, DDE (Danish hardware/software vendor) and ICL (RC International).

**PRODUCTS**

- UPTO/400 FINANCE. Advantages: Handles accounts in different currencies, extensive budget system, flexible report generator, import/export of (external) group accounts,

inventory accounts with profit margins, programmable access control, and integration with PC spreadsheets.

- UPTO/ACCOUNTS RECEIVABLE. Advantages: Flexible, customer adaptable, extensive security, and online updatable.

- UPTO/400 ACCOUNTS PAYABLE. Advantages: Same as above.

- UPTO/400 LIQUIDITY. Advantages: Real time cash flow control, flexible budget forms and liquidity models.

- UPTO/400 SALARIES & WAGES. Advantages: User defined architecture, transfer of data to inland revenue and banks, balancing routines prior to transfer of data to other modules, integration with data collections systems, and integration with the Personnel Administration and Training System.

- UPTO/400 PERSONNEL ADMINISTRATION & TRAINING SYSTEM. User defined employee groupings, online search facility, library of forms for employee interviews, integration with DAC payroll systems, and IS09000 standard compatible.

- UPTO/400 CUSTOMER MANAGEMENT. Advantages: designed for use by non-computer experts (i.e. marketing/sales personnel), flexible search criteria, and functions with Query/400 and Office Vision/400 for statistics and report compilation.

**Vertical Market Programs:**

- UPTO/400 RETAIL & WHOLESALE is a user friendly system, offering efficient administration solution to businesses in retail and wholesale sales. The system's inventory, sales and purchasing modules are fully integrated, facilitating automatic registration of incoming/outgoing goods. The purchasing module permits part deliveries/part invoicing.

- JPB (JOB PRODUCING BUSINESSES) is a fully integrated modular total system for project oriented businesses. The system consists of finance modules, sales/order invoicing, product description, inventory/purchasing, production order, payroll administration and case control. The modular integration allows the user to follow the costs of each "case" or project down to the smallest detail.

- UPTO/400 PUBLISHING HOUSE system consists of three modules: Newspaper Sales, Advertisement Invoicing and Distribution of Printed Matter. The program was developed in close collaboration with four newspapers, who continue to provide further product development input, via a user-group.

- UPTO/400 CONTRACTORS system centred around the UPTO/400 FINANCE system, is designed specifically for companies in the contractor field. Modules include case control, contract invoicing, cost estimate, time registration and machinery/equipment database.

- UPTO/400 FISH AUCTIONS contains all relevant routines for modem fish auction operations. In addition to finance modules, the system includes invoicing, auction management, cutter accounting, federal fisheries department reporting and fishing associations module. The system, developed in consultation with one of Denmark's leading fish auctions, reduces daily routines by 40-50%.

**Public Sector Systems:**

Finance Programs:

- Complete Economy/Finance systems for counties and municipalities.

Administration Programs:

- Journal 400, a journal/registration system for incoming/outgoing mail as well as internal mail. Facilities include document scanning.
- Purchasing and Inventory system for counties and municipalities.
- Salary/Wage Management and Reporting systems.
- "HERMES", an inventory system for technical equipment.

Social Systems:

- A comprehensive welfare system.
- A job/employment centre system.
- A home nursing management system.

Technical Services Systems for Municipalities:

- Database/Archive for Technical Drawings, Maps, etc.
- Management system for Municipal Water works.
- Renovation, (i.e. garbage disposal), Planning System (PC-based).

Hospital Systems:

- Hospital Laboratory Administration System.
- Pathology Result Registration System.
- Hospital Casualty Ward Registration System.

**INTERNATIONAL EXPERIENCE**

10% of DAC DATA's revenue is currently derived from exports of their products to Norway, Sweden and Germany. In Germany, DAC have established a strategic alliance with a local company, specifically to pursue sales of Publishing House Systems. The German company will translate, modify and sell DAC's software in German-speaking countries.

**OBJECTIVE**

DAC are interested in identifying a Canadian partner already selling AS/400 based software solutions, capable of translating and modifying DAC's products for the Canadian and/or North American market. The Canadian company should either be able to undertake sales/marketing activities autonomously, or jointly with DAC. DAC is open to suggestions concerning various marketing models. A prospective Canadian partner would not need to carry/adopt DAC's full product range. DAC appreciate that there may be limited North American market potential for some of their products and furthermore a prospective partner may only be able to cover a limited number of vertical market applications.

In line with DAC's philosophy of being able to supply an extensive range of vertical market solutions, the company would also be interested in relevant Canadian developed AS/400 solutions. Following translation/modification, DAC would be capable of marketing the Canadian product, not only in Denmark, but also in Norway, Sweden and Germany. An ideal scenario would be a reciprocal, two-way agreement with a Canadian software house with activities similar to those of DAC.

## 10.0 SYSTEMATIC SOFTWARE ENGINEERING A/S

Søren Frichs Vej 42 K, DK-8230 Åbyhøj
Tel: 86 15 18 86, Fax: 86 15 19 66
Contact: Allan Schytt, Marketing & Sales Director

### PROFILE

With 30 employees, SSE focuses on the development of software for technical applications. The company's software products and capabilities are concentrated in the following three areas:

- Software for Defence applications
- Electronic Data Interchange (EDI)
- Computer Integrated Manufacturing (CIM) systems.

SSE is a project oriented company often acting in the role of systems integrator. A characteristic of the company is that it is SSE's policy to write the user manual before beginning system development. This is done to ensure that the people using the system have real influence on the system design.

SSE have had extensive contact with potential Canadian customers for their software as well as Canadian suppliers of software complementary to SSE's activities.

### PRODUCTS

**Defence Products:**

- IRIS Message Formatting and Handling (EDI) system for Defence Command, Control and Communications applications.

- EW-DBMS, a support system for intelligence data. The system is applied to Electronic Support Measures (ESM) and Electronic Countermeasures (ECM) applications, primarily in relation to radar, radio and sonar operations.

- GRACE, a graphics system with touch screen for control/monitoring of technical equipment.

- Command and Control System. One of SSE's capabilities is the design and maintenance of large Command and Control Systems (for instance the Flag Officer Denmark system).

- SLCS (Software Life Cycle Support) is a total concept for the support/maintenance and further development of software already in operation.

**Commercial Products:**

- EDI-gateway is a UNIX based system that automatically converts data files to correct EDI documents using multiple standards (for instance EDIFACT).

- EDI-form is a system for small scale EDI users. PC-based, it is used for manual entry of data, which are then automatically converted to EDI format.

- EDI-map, a general-purpose tool for performing text-file transformation (available on UNIX, OS/2 and PC-platforms.

- EDI-link is a communications module which transfers the electronic document from one system to another (available in UNIX and OS/2).

- EDI-def works in tandem with the EDI-form and -gateway products. It permits companies/users to maintain their existing systems while at the same time being able to transmit and receive EDI documents irrespective of format.

**CIM (Computer Integrated Manufacturing):**

SSE have developed and installed custom tailored CIM systems for several large Danish corporations and institutions. For instance:

POLAR - an integrated Process Control/Supervision and Stock Management system for the large Danish plastics packaging producer, Supertos Emballage. POLAR integrates electronic manufacturing orders with control and monitoring of production processes. The system controls the number of parts produced, time consumed, materials registered, etc.

**INTERNATIONAL EXPERIENCE**

SSE is fully committed to international expansion. Approximately 30% of the company's turnover is already based on international sales. The bulk of international sales have been related to SSE's defence products. With sales to Defence Departments in Denmark, Germany, Italy, Holland, Canada and clients such as Thomson-CSF, Racal Radar, Telettra, Lockheed and Domier, SSE is a well accredited supplier in this field. With regard to EDI products, SSE have established a strategic partnering agreement with UNISYS for Denmark and Scandinavia. So far, the company has concentrated its CIM related marketing on large Danish Industrial corporations.

**OBJECTIVE**

While SSE may be able to conclude strategic partnering agreements with existing Canadian contacts, the company is genuinely interested in exploring the potential for true strategic alliances with Canadian companies, i.e. two-way, reciprocal relationships, where SSE would market the Canadian company's products and vice versa. An ideal arrangement would entail joint project identification/definition, reciprocal staff training, joint preparation of brochures, sales and marketing activities and joint resources (e.g. sales personnel).

Strategic alliances may be based on SSE's main product lines, however, SSE would be interested in expanding on their process control/industrial control capabilities and would consider complementary products in this area (for instance systems for the plastics moulding industry). Primary areas into which SSE would be interested in migrating are software for energy management and power utilities, and Environmental Control/Management systems.

SSE wishes to spend at least two weeks in Canada this year, specifically to meet with prospective partners.

11.0 **PROCON A/S**

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Contact: John Helsted, Sales and Marketing Director

**PROFILE**

Initially a software house, Procon now concentrates mainly on system development. A true proponent of the "open world/open system" concept, Procon's systems are developed using 4GL tools, are based on industrial standards and incorporate a high degree of flexibility and portability. Precon's systems are for industrial users, who appreciate not having to change their business strategies to accommodate hardware/software limitations and who wish to invest in a corporate informatics system, capable of being upgraded as new computer technologies and standards emerge.

Procon's two main products are PROMIS, a fully integrated 4GL industrial management system for manufacturing industries, and TAS, a comprehensive automated system for travel agencies. Some competitors to PROMIS are COPICS, SAP, DATALOGIC, ORACLE FINANCE and proprietary systems running, for example, on AS/400 systems.

**PRODUCTS**

PROMIS: Developed using SGL and CASE tools, PROMIS is a comprehensive industrial management system, including Production, Finance, Order, CAD and DPS, UNIX oriented and ORACLE based elements. The system consists of three main modules:

- Manufacturing Module with elements such as Master Planning, Order Planning, Costing, "Work in Process", Capacity Planning, Inventory Control and Lot Traceability.

- Accounting Module with elements such as Accounts Receivable/Payable, Payroll, Fixed Assets, Cash Flow Management, Accounting, and Dimension Accounting.

- Sales Accounting Module with elements such as Pricing, Invoicing, Sales Statistics and Order Entry.

- DPS Module containing DPS Time/Attendance, Material Recording, DPS Base and DPS Recording.

TAS: A UNIX oriented automated system for travel agencies. Integrated with airline booking systems, simple entries generate tickets, itineraries, invoice, financial data, etc. TAS is IATA and BSP approved (approximately 12% of all Scandinavian BSP tickets are issued via TAS). Main modules include:

- Front Office Module, containing communications function with CRS and other booking systems.

- Mid Office Module, containing ticket handling functions, automatic itinerary generation, electronic/manual credit card charge forms, and invoicing.

- Back Office Module, containing customer statistics, sales reports, etc.

- Accounting module with accounts receivable/payable, general ledger and other standard accounting routines.

**INTERNATIONAL EXPERIENCE**

PROMIS has been sold to major industrial corporations in Denmark, Norway and Sweden (for example the Swedish Astra Medical Group). In Scandinavia, PROCON have been working with the ENATOR consultant group as a business partner. PROCON have received many enquiries from around the world, including Canada, regarding PROMIS, but have so far lacked manpower to actively follow-up due to a high level of domestic Scandinavian interest in the product. PROCON is, however, in the process of concluding a strategic partnering agreement with a Japanese group, interested in marketing PROMIS in Japan.

TAS has been sold to many large travel agent operations in Scandinavia and Europe (including Wagons-Lits), and has a market share close to 70% in Scandinavia.

Approximately 50% of the company's turnover is obtained via export sales.

**OBJECTIVES**

PROCON are interested in identifying Canadian partners for both products, but feel that the

largest future market potential lies with PROMIS. A typical customer profile for PROMIS would be a manufacturing corporation with 200 employees or more, a minimum turnover of 40 million US$ and an in-house EDP division. PROMIS, in its most basic version, costs approximately CAD 160,000, for a 16-user system. A 128-user PROMIS system with hardware and ORACLE, would typically represent an investment of close to CAD 600,000.

A prospective partner would need to invest approximately CAD 100,000 in start-up costs. A partner would also need to be committed to "the Open Applications" approach and be well versed in UNIX and preferably ORACLE. In addition to appreciating the uniqueness of the PROMIS product, a partner would also have to agree to partner training requirements and, depending on the size of the geographic marketing mandate, sales quotas as well. A partner could be either a software company or a hardware vendor (the hardware vendor BULL, is one of PROCON's current business partners).

12.0 **JDC DATA A/S**

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Contact: Mr. Bo Melson, Marketing Director

**PROFILE**

Established in 1965, JDC is an independent business unit under the NCR corporation and has approximately 400 employees based in Denmark and subsidiaries in Germany, Sweden, Finland and Norway. The company's turnover is approximately CAD 70 million.

While JDC offers an impressive range of in-house developed software products, ranging from accounting systems, vertical market applications and various tools, JDC has concentrated its international sales activities on just two of the company's systems, namely AD2000 (a comprehensive administration system for car dealerships) and Oktan-2000 (ditto administration system for petrol retail sales operations). JDC is a European market leader in these fields. Their major all-round competitor is Olivetti, although they also meet competition (in connection with Oktan-2000) from companies such as Edacom and Microlac (UK). So far, the deepest market penetration has been achieved in Scandinavia, followed by Germany and the UK.

In connection with AD2000, JDC have retained clients such as Mitsubishi, Citroen, Nissan and Opel and are pursuing other automotive OEM contracts. Marketing of the AD2000 system is undertaken at three levels: the automotive dealer, the country importer and the manufacturer. Europe-wide supply contracts can be obtained at the manufacturer level, but the automobile manufacturer will require that the system vendor is able to support/customize the system for each European country, in which they have a dealer network.

The Oktan-2000 petrol retail outlet system ("forecourt" system), has achieved equally high market shares in the previously-mentioned markets. Here it has been JDC policy to contract with national and multinational oil companies (owning petrol retail outlets), and fuel dispenser pump manufacturers (e.g. DOMS/GILBARCO) in Denmark.

**PRODUCTS**

AD2000 is a management/administration system which seeks to encompass and satisfy all

requirements related to car dealership operations. The system elements are:

- Customers and Marketing (customer and marketing activity management/planning/monitoring);
- Orders and Invoices (manages the order inventory/process related to spare parts and workshop operations);
- Vehicles Sales and Purchase (preparation, maintenance, buying/selling, stock management and valuation of vehicles);
- Workshop (Workshop/repair price-list and Warranty Claims system).
- Inventory (spare parts management);
- Purchase (spare parts order handling);
- Supplier & Purchase Invoice (Invoicing Management and Recording);
- General Ledger.

AD2000 runs on UNIX type operating systems.

Oktan-2000, is an integrated system for the forecourt retailer (petrol retail outlets). The system is modular, meaning that it caters to both small and large outlets (modules are optional). It can be upgraded to provide for an increased number of POS terminals. The system allows for management at two levels - at the site and/or head office. Integrated security is afforded at all levels.

The system software consists of three modules:

- POS application: simultaneous wet/dry handling, credit card handling, etc.
- Back Office application: Transaction Database, report generation, sales analysis, stock management, etc);
- HOST application: fuel merchandise and stock control system.

Hardware system components are: Independent Pump Controller, POS terminal, DOS point of sale terminal (usually NCR model), Site Manager Work Station (IBM AT compatible PC), Host Computer (UNIX-based mini computer).

Oktan-2000 can interface with most established fuel dispenser pump types.

**OBJECTIVE**

JDC are seeking Canadian joint venture partners to market the above systems in Canada and/or the US. Having exported the above systems to several European countries and having made

initial marketing enquiries in North America, it is JDC's impression that car dealership and petrol retail outlet operations do not differ significantly from country to country. More often than not, differing system requirements are a function of the size of the individual customer operations, rather than nationality.

For the AD2000 system, an appropriate joint venture partner would be a medium-sized software company already providing vertical market applications and preferably a company with existing contacts in the automotive dealership, import and/or manufacturing field. The ideal sales person for this type of system is a person with combined accounting and EDP sales background. North American competitors are presumably Reynolds and ADP.

For the Oktan 2000 system, a Canadian joint venture partner could either be one or a combination of the following:

- A pump manufacturer (fuel dispensing);
- An oil company (national or multinational);
- A hardware supplier (perhaps already supplying oil companies and/or their retail outlets);
- A software supplier (perhaps already supplying software systems to oil companies and/or their retail outlets.

JDC would be willing to negotiate a specific joint venture model and would not exclude the possibility of direct participation in a joint venture entity, responsible for marketing, sales and support of the above systems.

13.0 **LANDBRUGETS EDP CENTER**

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Contact: Mr. Uffe Bausager, Divisional Manager.

**PROFILE**

LEC is Denmark's Agricultural EDP Processing Center. With a turnover of approximately CAD 80 million and 600 employees, LEC provides centralized and decentralized computer/software services for the individual Danish farmer, as well as the agricultural industries and trade organisations. LEC is owned by the Danish farming community and the Danish agricultural industries (abattoirs, slaughter houses, dairies, etc.) and provides the following three categories of services/products:

- Consulting: LEC advises the client as to appropriate computer solutions, choice of supplier, etc.

- Development: LEC develops systems and software that can run either at LEC on the user's own installation, or on distributed systems. LEC offers Danish farmers and agricultural industries a very wide variety of software programs, ranging from accounting programs to specialized programs related to optimal fertilizer utilization, feed utilization, crop spraying, diary products administration, etc. LEC have recently developed a state-of-the-art, PC-based, weather reporting system for farmers.

- Production: LEC offers customers around-the-clock run-time and can provide clients with total service center solutions (LEC is Denmark's second largest service centre).

12,500 workstations in Denmark and abroad are directly connected to the LEC-net. With an uptime of 99.79%, LEC runs 1.9 million online transactions daily. In later years, LEC have diversified their activities, which now extend beyond the agricultural sector in Denmark.

- Facilities Management: Several large industrial and commercial corporations have physically moved their EDP processing systems/hardware and EDP personnel to LEC, from where their total EDP processing requirements are now carried out.

- LEC has become one of Denmark's largest VANS operators and competes on a day to day basis with other Danish VANS, such as DanNet and Comlink.

- In connection with the VANS activity, LEC have developed a family of EDI products of which the foremost product is LEC-EDI, which is a clearing house or rather a central store and forward facility via which users (using different EDI standards) can communicate with each other (available on IBM PS/2, AS/400 and MVS). LEC-EDI offers conversion capabilities for EDIFACT. 700,000 electronic forms are exchanged on LEC-EDI weekly.

- LEC is Denmark's 7th largest IBM PC dealer.

- In recent years the company has exported in-house developed agricultural systems to other countries, primarily the Nordic countries (for instance, hog breeding management systems for Sweden and Norway). LEC has also participated in agricultural consultancy projects in Eastern Europe (primarily Poland) and LEC will likely expand their consultancy activities in Eastern Europe and in the EEC.

- Finally, LEC develop vertical market software solutions. An example is "PRAKSIS", a PC-based municipal dentistry registration system which permits national monitoring of oral hygiene (children are the prime concern). The small townships in Greenland are hooked up to the system via satellite link.

LEC's organisation is comprised of several divisions. The most significant division in the context of this report is the Sales and Marketing Division, which is comprised of 4 sections:

- Section A, responsible for programs/services related to Crops, Livestock, Accounting and Finance;
- Section B, responsible for Abattoirs and Meat Production;
- Section C, responsible for Dairy and Feed related programs;
- Section D, responsible for non-agricultural commerce and industry activities, including VANS, EDI and Facility Management (Mr. Bausager - see above - is the manager of this section).

**OBJECTIVE**

LEC are not currently actively seeking strategic alliances with North American partners and, consequently, any Canadian companies interested in either adopting LEC products/know how

or selling products to LEC will have to take the lead.

Denmark has a reputation as a world leader in agricultural technology and efficiency and, even in spite of fundamental differences between Canadian and Danish agricultural infrastructure, the author feels that there may be a very real potential for LEC's agricultural management programs/software in Canada.

This brief overview does not nearly begin to do justice to the many programs and services offered by LEC, and Canadian firms interested in gaining more insight into LEC's product and services range are advised to contact the author, who will be able to refer to the appropriate LEC contact person.

Another area of potential cooperation is the VANS/EDI area. LEC provides their customers with access to a wide number of external databases and any Canadian databases with relevant information contents, would naturally be of interest to LEC.

Although not actively pursuing sales in North America for their LEC EDI concept, LEC would not be averse to selling same to network operators and/or, for instance, the banking community.

Specific areas where LEC may be interested in procuring Canadian products are EDI software packages for PCs and EDI conversion software tools facilitating conversion to the various EDI standards. Furthermore, LEC expect to be implementing the X.400 communications standard and products/systems related to the above protocol, which may also be of interest.